

**Active Video**

Russia, Moscow

**Summary**

1. **Volume of investments required – \$ 12.5 thousand.**
2. **Production** – market sector, produced, and/or planned for production as a result of investments in products.
3. **Trade marks** – none.

**Company profile**

**Date of establishment** – it was in 2002, when the road of already formed professional team in the sphere of video images processing systems crossed with the road of two enthusiasts, who kept idea of hyper video in their minds for already several years. During a year there was made the system prototype. When they had found a business-angel, and general mathematic problems of the idea's realization were finally solved, at the end of 2003 there was created the Limited Liabilities Company with the name "Active Video".

**Signs of public recognition** – the Moscow State University of Medicine and Dentistry Diploma for interactive educational book "Dentition functional impairment diagnostics"; Winner of IT-solutions contest, Diploma "Soft-tool: Debut 2005". Publications:

- "Komsomolskaya Pravda", March 27, 2005, <http://www.kp.ru/daily/23484.5/38195/>;
- Active Video – step to interactivity // *Cifrovik* 01.11.2005, [http://www.cifrovik.ru/publish/open\\_article/5541](http://www.cifrovik.ru/publish/open_article/5541);
- Market is not ready for interactive video. *CNews*, April 18, 2006, <http://www.cnews.ru/reviews/articles/index.shtml?2006/04/18/200053>.

**Number of employees:** 32 persons.

**Team**

**Kaftanatiy Ruslan** – Director General, 43 y.o. Founder and anchor investor. From 1995 works as a professional chief executive and investor. Owner and director general of the company "Mashservis", set up in 2001 with annual turnover \$ 25 mln.

**Belenov Alexander** – Project Director, 37 y.o. Graduated from the State University of Aerospace Technologies in 1993, specialization "Space energy systems". Experience in management of software development – 14 years. Experience in software development – 18 years.

**Yerpylov Alexey** – Commercial Director, 32 y.o. Graduated from the Lomonosov Moscow State University in 1999, the faculty of Mechanics and Mathematics, and the Lomonosov Moscow State University Magistracy of the Faculty of Economics in 2004. Specialization: General and Strategic Management. Candidate of Science (Engineering).

**Surigina Marina** – Director of AVEditor development group, 30 y.o. Graduated from MEPhI in 2000, experience in software development – 9 years.

**Komarov Andrey** – Director of AVServer development group, 41 y.o. Graduated from MPEI (TU) in 1992, specialization "Construction and production of electronic computer equipment". Experience in software development 16 years.

**Akimov Vasily** – Director of AVPlayer development group, 39 y.o. Graduated from MEPhI in 1992, specialization "Physics of high-energy particles".

**Products characteristics**

The technology enables to realize analog of surfing along Internet pages, containing links to other texts and web-sites (hyperlinks). But in our case instead of texts there is real video, and objects, but not words serve as hyperlinks. Objects with possible further transference are called "active". "Active" objects can be marked by arrows or contours, constantly highlighted or react by lighting on viewer's actions – the choice is made by the creator of video material. The viewer clicks on the active object the way we do it on web sites and watches new video plot or explicative text about persons and events, listens to speaker's voice or music, opens web page in the Internet or editing mail window – additional information can be given in any form, all depends on scenario creativity, which is the basis for interactive video. The technology is realized via the software complex, consisting of the following programs.

**AVEditor** – is a software complex for creation and compilation of projects, developed using Active Video technology. The Editor makes it possible to create interactive video clips on the basis of MPEG 1,2,4 video materials. The final product of Editor work is a number of files, containing video, text and graphic materials, managing scripts and service information.

**AVServer** – is a software providing MPEG-1, MPEG-2, MPEG-4, AVMap media content translation to a final user or a group of users in digital broadcasting network. Bundled software allows to keep accounts of any level of detail for customers management (billing) and media resources (content) management.

**AVPlayer** – is a software designed for video viewing.

*Patents, applications and licenses of Active Video Ltd :*

Patent of the Russian Federation №2225035 of 21.04.2003; Eurasian Patent Organization application №200501474/26 of 18.10.2005; European Union application №74132 of 18.10.2005; the USA application of

20.10.2005; Patent application №2004138685 of 29.12.2004; the Russian Federation patent application №2005105976 of 03.03.2005; License of programs for computer registration №2004611587, 2004611586, 2004611585 of 16.03.2006.

#### **Current state**

At the present time Active Video Ltd. proceeds development and research of software products and also carries on a number of works on preparation of investment projects realization.

#### **Development strategy**

##### **Use of funds**

1. R&D	28%
2. Acquisition of fixed assets	32%
3. Marketing	12%
4. Acquisition of current assets	18%
5. Other	9%

##### **Prospective outcome of investment**

*Result 1.* Video Library ("Online video service") realizes distributed translation in Internet sphere of video programs, offered by content providers. Content providers and service owners income is formed by payment of adverts placement in broadcasted programs. Viewing video is free for users.

*Result 2.* Technology solution for IP TV set top box, enabling to realize interactive services and advertisement. Income is formed by sales of licenses on IP TV software use by operators.

##### **Interaction with investor**

There are offered two variants of investment:

*Variant 1.* 49% shares in the company "Active Video" for \$ 12.5 million.

*Variant 2.* If investor wants to own more than 49% shares, to the sum of investments \$ 12.5 mln in the development of Active Video Ltd. business there is added the sum of repurchase of current owner shares up to 78% at \$ 344 827.58 for every repurchased 1% shares.

Guarantees for investor. existence of intellectual property; completed R&D, existence of finished commercial software products; existence of primary sales; team of developers is owner of option for repurchase of 15% shares of Active Video Ltd. ownership.